



Billing Code 4810-25-P

DEPARTMENT OF THE TREASURY

2020 Terrorism Risk Insurance Program Data Call

AGENCY: Departmental Offices, U.S. Department of the Treasury.

ACTION: Data Collection.

SUMMARY: Pursuant to the Terrorism Risk Insurance Act of 2002, as amended (TRIA),¹ insurers that participate in the Terrorism Risk Insurance Program (TRIP or Program) are directed to submit information for the 2020 TRIP Data Call, which covers the reporting period from January 1, 2019 to December 31, 2019. Participating insurers are required to register and report information in a series of forms approved by the Office of Management and Budget (OMB). All insurers writing commercial property and casualty insurance in lines subject to TRIP, subject to certain exceptions identified in this notice, must respond to this data call no later than May 15, 2020.

DATES: Participating insurers must register and submit data no later than May 15, 2020.

ADDRESSES: Participating insurers will register through a website that has been established for this data call. After registration, insurers will receive data collection forms through a secure file transfer portal, and they will submit the requested data through the same secure portal.

Participating insurers can register for the 2020 TRIP Data Call at <https://tripsection111data.com>.

Additional information about the data call, including sample data collection forms and instructions, can be found on the TRIP website at <https://home.treasury.gov/policy->

¹ Public Law 107–297, 116 Stat. 2322, codified at 15 U.S.C. 6701, note. Because the provisions of TRIA (as amended) appear in a note, instead of particular sections, of the United States Code, the provisions of TRIA are identified by the sections of the law.

issues/financial-markets-financial-institutions-and-fiscal-service/federal-insurance-office/terrorism-risk-insurance-program/annual-data-collection.

FOR FURTHER INFORMATION CONTACT: Richard Ifft, Senior Insurance Regulatory Policy Analyst, Federal Insurance Office, Room 1410, Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220, (202) 622-2922; or Lindsey Baldwin, Senior Insurance Regulatory Policy Analyst, Federal Insurance Office, Room 1410, Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220, (202) 622-3220. Persons who have difficulty hearing or speaking may access these numbers via TTY by calling the toll-free Federal Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION:

I. Background

TRIA created the Program within the U.S. Department of the Treasury (Treasury) to address disruptions in the market for terrorism risk insurance, to help ensure the continued availability and affordability of commercial property and casualty insurance for terrorism risk, and to allow for the private market to stabilize and build insurance capacity to absorb any future losses for terrorism events. The Program has been reauthorized on a number of occasions, with various requirements directed to Treasury in connection with the Program. Most recently, the Program was reauthorized until December 31, 2027 by the Terrorism Risk Insurance Program Reauthorization Act of 2019 (2019 Reauthorization Act),² which was signed into law on December 20, 2019. Section 111 of the previous reauthorization, the Terrorism Risk Insurance Program Reauthorization Act of 2015 (2015 Reauthorization Act),³ amended Section 104 of

² Public Law 116-94, 133 Stat. 2534.

³ Public Law 114-1, 129 Stat. 3.

TRIA to require the Secretary of the Treasury (Secretary) to perform periodic analyses of the Program and submit a report regarding the effectiveness of the Program to Congress not later than June 30 every other year (Program Effectiveness Report).⁴ In order to assist the Secretary with this process, Section 104 of TRIA requires insurers to submit on an annual basis certain insurance data and information regarding their participation in the Program.⁵ The 2019 Reauthorization Act recently broadened the areas that Treasury must analyze to include the availability and affordability of terrorism risk insurance, including for places of worship. The Federal Insurance Office (FIO) is authorized to assist the Secretary in the administration of the Program,⁶ including conducting the annual data call.

Prior to the enactment of the 2019 Reauthorization Act, Treasury intended to utilize the same data collection forms, without material changes, that had been approved for use by OMB under Control Number 1505-0257 for a period ending March 31, 2022. However, Treasury must collect certain additional information in order to comply with the requirement under the 2019 Reauthorization Act to analyze the availability and affordability of terrorism risk insurance, including for places of worship.

Treasury would not have sufficient time to complete the notice and comment periods associated with the standard OMB review process for new data collections before submitting its Program Effectiveness Report to Congress by the statutory deadline of June 30, 2020. As a result, Treasury obtained emergency approval from OMB to use an additional worksheet seeking

⁴ For the most recent Program Effectiveness Report, issued in June 2018, see Federal Insurance Office, Report on the Effectiveness of the Terrorism Risk Insurance Program, available at https://www.treasury.gov/initiatives/fio/reports-and-notice/Documents/2018_TRIP_Effectiveness_Report.pdf. The next Program Effectiveness Report must be submitted to Congress no later than June 30, 2020.

⁵ Treasury regulations also address the annual data collection requirement. See 31 CFR 50.51, 50.54.

⁶ 31 U.S.C. 313(c)(1)(D).

information concerning places of worship. This worksheet must be completed by all categories of reporting insurers, unless they are otherwise exempt from reporting. Reporting insurers that are not exempt from reporting, but do not write any insurance policies for places of worship, will need to enter “0” in the relevant fields in the worksheet. After the 2020 TRIP Data Call reporting period is complete, Treasury will submit the places of worship worksheet (and any further material modifications to the data collection reporting templates) for public notice and comment in advance of the 2021 TRIP Data Call.

II. Elements of 2020 TRIP Data Call

For purposes of the 2020 TRIP Data Call, FIO, state insurance regulators, and the National Association of Insurance Commissioners (NAIC) will again use the consolidated data call mechanism first developed for use in the 2018 TRIP Data Call. This approach relies on four joint reporting templates—to be completed by Small Insurers, Non-Small Insurers, Captive Insurers, and Alien Surplus Lines Insurers, as defined below—and is designed to satisfy the objectives of both Treasury and state insurance regulators. Additionally, the joint reporting templates reduce burden on participating insurers. State insurance regulators or the NAIC will provide separate notification regarding the reporting of information into the state reporting portal, including any reporting requirements to state insurance regulators that are distinct from the Treasury requirements. Insurers subject to the consolidated data call that are part of a group will report on a group basis, while those that are not part of a group will report on an individual company basis.

A. Reporting of Workers’ Compensation Information

The TRIP Data Calls request certain information relating to workers’ compensation insurance. For the 2020 TRIP Data Call, Treasury will again work with the National Council on Compensation Insurance (NCCI), the California Workers’ Compensation Insurance Rating

Bureau (California WCIRB), and the New York Compensation Insurance Rating Board (NYCIRB) to provide workers' compensation data relating to premium and payroll information on behalf of participating insurers, either directly or through other workers' compensation rating bureaus. The data aggregator used by Treasury will provide such insurers with reporting templates that do not require them to report this workers' compensation data. Reporting insurers that only write workers' compensation policies are still required to register for the 2020 TRIP Data Call, provide general company information, and provide data related to private reinsurance. The data received from NCCI, the California WCIRB, and the NYCIRB will be merged with the information provided by the insurers.

B. Reporting Templates

Other than the new Places of Worship Worksheet, there are no material changes to the reporting templates from the 2019 TRIP Data Call.⁷ The Places of Worship Worksheet is similar to the Policyholder Industry Code Worksheet currently used by TRIP. Both worksheets seek information on a nationwide, rather than state jurisdiction, basis. All categories of insurers are required to complete the Places of Worship Worksheet, unless otherwise exempt from reporting entirely.⁸ For the Places of Worship Worksheet, reporting insurers are given the option of reporting the information on places of worship using the various industry codes associated with

⁷ There is a new modeled loss scenario identified in the Reinsurance Worksheet that will be used in connection with the modeled loss questions (which have not changed from those posed in prior data collections). The modeled loss questions must be completed by non-small insurers, alien surplus lines insurers, and captive insurers. As in prior years, small insurers complete a separate Reinsurance Worksheet that does not contain modeled loss questions.

⁸ Reporting insurers that are not exempt, but do not write any insurance for places of worship, only need to enter "0" in the relevant fields.

religious organizations,⁹ or by using some other basis (e.g., a manual policyholder search by the reporting insurer).

The Places of Worship Worksheet, like the other worksheets used in the TRIP Data Calls, seeks certain information relating to workers' compensation insurance. NCCI, the California WCIRB, and the NYCIRB will complete the workers' compensation elements of the Places of Worship Worksheet on behalf of reporting insurers. Further information concerning the Places of Worship Worksheet can be found in the instructions for the reporting templates for each category of insurer, and will also be addressed in the training webinars discussed below.

For the 2020 TRIP Data Call, an insurer will qualify as a Small Insurer if it had both 2018 policyholder surplus of less than \$900 million and 2018 direct earned premiums in TRIP-eligible lines of insurance of less than \$900 million.¹⁰ Of this group, Small Insurers with TRIP-eligible direct earned premiums of less than \$10 million in 2019 will be exempt from the 2020 TRIP Data Call.¹¹ Neither Captive Insurers nor Alien Surplus Lines Insurers are eligible for this reporting exemption. Insurers defined as Small Insurers for the 2020 TRIP Data Call will report the same information to Treasury and to state insurance regulators (in each case on a group basis), except as state insurance regulators may separately direct for purposes of the state data call.

⁹ As is the case with other aspects of the TRIP Data Calls, Treasury permits reporting by reference to either the North American Industry Classification System (NAICS), the Standard Industrial Classification (SIC), or the class codes utilized for reporting to Insurance Services Office (ISO).

¹⁰ Small Insurers are defined in 31 CFR 50.4(z) as insurers (or an affiliated group of insurers) whose policyholder surplus for the immediately preceding year is less than five times the Program Trigger for the current year, and whose TRIP-eligible lines direct earned premiums for the preceding year are also less than five times the Program Trigger for the current year. Accordingly, for the 2020 TRIP Data Call (covering the 2019 calendar year), an insurer qualifies as a Small Insurer if its 2018 policyholder surplus and 2018 direct earned premiums are less than five times the 2019 Program Trigger of \$180 million.

¹¹ Individual insurers with less than \$10 million in TRIP-eligible lines direct earned premiums that are part of a larger group must still report as part of the group as a whole if the group's TRIP-eligible lines direct earned premiums are over \$10 million.

The Non-Small Insurer template will be completed by insurance groups (or individual insurers not affiliated with a group) that are not subject to reporting on the Captive Insurer or Alien Surplus Lines Insurer reporting templates, and had either a 2018 policyholder surplus of greater than \$900 million or 2018 direct earned premiums in TRIP-eligible lines of insurance equal to or greater than \$900 million. Insurers defined as Non-Small Insurers for the 2020 TRIP Data Call will report the same information to Treasury and to state insurance regulators (in each case on a group basis), except as state insurance regulators may separately direct for purposes of the state data call.

Captive Insurers are defined in 31 CFR 50.4(g) as insurers licensed under the captive insurance laws or regulations of any state. Captive Insurers that wrote policies in TRIP-eligible lines of insurance during the reporting period (January 1, 2019 to December 31, 2019) are required to register and submit data to Treasury, unless they did not provide their insureds with any terrorism risk insurance subject to the Program.

Alien Surplus Lines Insurers are defined in 31 CFR 50.4(o)(1)(i)(B) as insurers not licensed or admitted to engage in the business of providing primary or excess insurance in any state, but that are eligible surplus line insurers listed on the NAIC Quarterly Listing of Alien Insurers. Alien Surplus Lines Insurers that are part of a larger group classified as a Non-Small Insurer or a Small Insurer should report to Treasury as part of the group, using the appropriate template. Therefore, the Alien Surplus Lines Insurer template should only be used by an Alien Surplus Lines Insurer that is not part of a larger group subject to the 2020 TRIP Data Call.

C. Supplemental Reference Documents

Treasury will continue to make available on the TRIP data collection website¹² documents providing a complete ZIP code listing for areas subject to reporting on the Geographic Exposures (Nationwide) Worksheet, as well as several hypothetical policy reporting scenarios.

D. Training Webinars

As in prior years, Treasury will hold four separate training sessions corresponding to the four reporting templates that will be used by insurers (Small Insurers, Non-Small Insurers, Captive Insurers, and Alien Surplus Lines Insurers). The webinars will be held on April 13 and April 14, 2020 to assist reporting insurers in responding to the 2020 TRIP Data Call, with each webinar focusing on a specific reporting template. Specific times and details concerning participation in the webinars will be made available on the TRIP data collection website, and recordings of each webinar will be made available on the website following each training session.

III. 2020 TRIP Data Call

Treasury, through an insurance statistical aggregator, will accept group or insurer registration forms through <https://tripsection111data.com>. Registration is mandatory for all insurers participating in the 2020 TRIP Data Call. Upon registration, the aggregator will transmit individualized data collection forms (in Excel format) to the reporting group or insurer via a secure file transfer portal. The reporting group or insurer may transmit a complete data submission via the same portal using either the provided Excel forms or a .csv file.¹³

¹² See <https://home.treasury.gov/policy-issues/financial-markets-financial-institutions-and-fiscal-service/federal-insurance-office/terrorism-risk-insurance-program/annual-data-collection>.

¹³ Specifications for submission of data using a .csv file will be provided to the insurer by the aggregator.

Copies of the instructions and data collection forms are available on Treasury's website in read-only format. Reporting insurers will obtain the fillable reporting forms directly from the data aggregator only after registering for the data collection process.

Reporting insurers are required to register and submit complete data to Treasury no later than May 15, 2020. Because of the statutory reporting deadline for Treasury's 2020 Program Effectiveness Report to Congress, no extensions will be granted. Reporting insurers can ask the data aggregator questions about registration, form completion, and submission at tripsection111data@iso.com. Reporting insurers may also submit questions to the Treasury contacts listed above. Questions regarding submission of data to state insurance regulators should be directed to the appropriate state insurance regulator or the NAIC.

All data submitted to the aggregator is subject to the confidentiality and data protection provisions of TRIA and the Program Rules, as well as to section 552 of title 5, United States Code, including any exceptions thereunder. In accordance with the Paperwork Reduction Act (44 U.S.C. 3501-3521), the information collected through the web portal has been approved by OMB under Control Number 1505-0257. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number.

Dated: March 9, 2020.

Steven E. Seitz,
Director, Federal Insurance Office.

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